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## **1000 TRAINED TO HANDLE FORECLOSURE CASES INDIANA SUPREME COURT OFFERS NEW PLEDGE OF SUPPORT**

The Indiana Supreme Court and its partners in the "Back Home In Indiana—Guiding Homeowners Through Foreclosure" program trained more than one-thousand judges, attorneys and mediators on how to better handle foreclosure cases. Chief Justice Randall T. Shepard made the announcement at an Evansville press conference Monday, October 19th. Chief Justice Shepard also announced the Court will work to support and increase the effectiveness of the large number of settlement conferences now required in mortgage foreclosure cases by Senate Enrolled Act 492.

### **Training Judges, Attorneys and Mediators**

In January, Chief Justice Shepard spoke to the Indiana General Assembly about the effect of the troubled economy on the courts. Over the past five years Indiana courts have seen approximately a 50% increase in the number of foreclosure cases. In 2008 there were 45,394 foreclosure filings in Indiana. Chief Justice Shepard announced a plan to support Indiana Lieutenant Governor Becky Skillman's effort to ward off the housing meltdown through the Indiana Housing and Community Development Authority. Chief Justice Randall Shepard vowed to train more judges, attorneys and mediators than any other state Supreme Court on how to deal with foreclosure cases.

That goal was reached in September. More than 1000 legal professionals were trained through the "Back Home In Indiana—Guiding Homeowners Through Foreclosure" program. A number of government and non-profit agencies including the Indiana Housing and Community Development Authority, the Indiana Foreclosure Prevention Network, the Indiana Pro Bono Commission, the Indiana Commission on Continuing Legal Education, the Indiana Continuing Legal Education Forum, the Office of the Indiana Attorney General, bar associations and law firms across the state and the Indiana Supreme Court supported more than 30 training sessions across Indiana.

The training sessions included an effort to encourage attorneys to provide free legal help to homeowners in need of assistance. Indiana Court of Appeals Judge Melissa May explained, "The Indiana Pro Bono Commission has been very pleased to be a part of these trainings. The interest shown by our panel of experts and from attorneys and mediators across the state has been heartwarming. It shows the willingness of Indiana attorneys to help their fellow Hoosiers who are facing the loss of their homes."

### **New Pledge To Help Homeowners**

"The goal to train more legal professionals than any other state on how to best handle foreclosure cases has been reached. The Supreme Court is now offering a new pledge of support to the Indiana Housing and Community Development Authority and our other partners who are trying to keep Hoosiers in their homes," explained Chief Justice Shepard. "The settlement conferences offer another opportunity to reach out to our neighbors in need. The Court will work to develop a system to coordinate successful settlement conferences."

New legislation requires a creditor to notify a homeowner facing foreclosure of their right to conduct a settlement conference. State Senator Karen Tallian (D-Portage) authored Senate Enrolled Act 492. Senator Tallian said it is in the public's best interest for the state to encourage homeowners and lenders to work out foreclosure alternatives. "Indiana's high rate of foreclosures has adversely affected property values, and we risk letting home values drop even lower as the foreclosure crisis continues," Tallian said. "We've already seen about 300 requests for settlement conferences since the law went into effect in August. These face-to-face meetings help homeowners to understand that lenders are willing to work with them, and the parties are able to find a compromise."

The Supreme Court is working with the Indiana Housing and Community Development Authority to devise a statewide system to organize the local logistics needed to meet the requirements for successful settlement conferences. The plan calls for utilizing a local settlement conference coordinator. The coordinator will ensure the thousands of expected settlement conferences across the state take place and maintain data on success rates.

Settlement conferences are designed to help homeowners; however the logistics can be tricky. For example, does the borrower have all the necessary paperwork in order? Who has arranged for a pro bono attorney or mediator to be present as the case requires? Is there a second mortgage on the home that may delay settlement? In the coming months, the Indiana Supreme Court and the Indiana Housing and Community Development Authority will finalize plans on the effort to coordinate successful settlement conferences.

"A settlement conference can be daunting for borrowers during the foreclosure process, especially to face alone," said Indiana Attorney General Greg Zoeller. "Fortunately hundreds of attorneys have been trained, heeding the Chief Justice's call, and are prepared to offer free legal services to help homeowners reach the best possible outcome during a settlement conference. We are all committed to reducing foreclosures in Indiana and encourage anyone faced with the possibility of foreclosure to request a settlement conference and take advantage of the legal services and housing counseling available for free or low-cost around the state."

State Representative Gail Riecken of Evansville supported SEA 492 and authored another measure (HEA 1176) to help protect people who are facing foreclosure. Representative Riecken explained, "It ended the practice of imposing prepayment fees and penalties on adjustable rate mortgages when buyers want to re-finance or sell their homes. This allows greater opportunity for buyers to renegotiate a payment they can afford when an illness or loss of job is facing them."

Chief Justice Shepard thanked all of those partnering with the Court for their participation in the training project and for their support to ensure successful settlement conference. He said, "The Indiana Supreme Court is committed to working with the other branches of government and non-profit groups to ensure mortgage foreclosure cases are resolved fairly and efficiently." He was joined in Evansville by Indiana Court of Appeals Judge Melissa May, Indiana Attorney General Greg Zoeller, State Senator Karen Tallian, State Representative Gail Riecken, Executive Director of State Court Administration Lilia Judson and Chief Deputy Executive Director of State Court Administration Dave Remondini.

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